

HEALTH *watch*

Honor Awardees Make a Difference for Beneficiaries

Thirty-seven individuals were honored at the Fourth Annual Beneficiary Services Honor Awards Ceremony at HCFA Headquarters on May 22, 1997. Nominated by their peers and colleagues for outstanding work in the best interests of Medicare and Medicaid beneficiaries, the awardees contributed their time and talents in various ways.

During the ceremony, a special segment of ABC's "Prime Time Live" showed how awardee Lizzie Green's cooperation with the Medical Fraud Branch of Florida Blue Cross and Blue Shield exposed medical fraud, thus preserving the integrity of the Medicare Trust Fund. Green blew the whistle on Jesus Castillo, an operator of three Miami medical clinics who paid "runners" \$200 to \$300 for bringing seniors covered by health insurance to his clinics. Castillo's staff took a battery of questionable medical tests on the individuals and billed their health insurance companies.

The investigation exposed a number of unlawful activities and five clinics and one durable medical equipment supplier were suspended from the Medicare program. Total Medicare payment withheld was less than \$542,000. When the firms were confronted with the evidence, none of them questioned the investigative outcome, except Bicentennial Medical Center. The Medical Fraud Branch then ordered a random stratified report for Bicentennial Medical and requested the records on thirty sampled beneficiaries. Under examination, the Medical Review Department discovered overpayments of close to \$200,000 for unnecessary medical services. Recoupment of these overpayments is currently underway.

While Green's efforts drew special recognition at the ceremony, many other awardees earned HCFA's praise for significant voluntary acts. These acts included: advocating beneficiary needs in Kentucky, educating and assisting beneficiaries in Missouri, making mammograms more accessible to beneficiaries in the Virgin Islands, helping beneficiaries in South Carolina to understand the value in the influenza, hepatitis and pneumococcal immunization program, and meeting beneficiary needs in the Navajo nation. The regional list of awardees and their accomplishments begins on page 3.

These awardees come together — like many other volunteers — to make a difference in the lives of Medicare and Medicaid beneficiaries. ♦



Holding her Certificate of Merit plaque is Lizzie Green, a Decatur, Ga., resident who was honored recently for protecting the Medicare Trust Fund. Standing with her are (from left) Bruce Vladeck, HCFA Administrator; Maggie Repolett, a Medical Fraud Branch of Florida Blue Cross and Blue Shield representative; and Pamela Gentry, HCFA Associate Administrator for External Affairs.

No Increase Is Recommended in Medicare Hospital Payments

HHS Secretary Donna Shalala has recommended that hospitals receive no increase in Medicare payments for hospitals in FY 1998. Congressional action is required to carry out this recommendation. Under current law, Medicare payments to hospitals would be based on a "market basket" index and would increase 2.8 percent in FY 1998. Secretary Shalala's recommendation is part of the administration's plan to reduce growth in Medicare spending by a total of \$115 billion over the next five years.

[Continued on page 5]



The *HCFA Health Watch* is published monthly, except when two issues are combined, by the Health Care Financing Administration to provide timely information on significant program issues and activities to its external customers.

BRUCE C. VLADECK
Administrator

PAMELA J. GENTRY
Associate Administrator for External Affairs

FRANK M. SOKOLIK
Director, Office of Beneficiary Relations

HEALTH WATCH TEAM

JUSTIN DOWLING.....617/565-1261
WILLIAM KIDD.....Via Md. Relay: 800/735-2258
410/786-8609
LAURA KOZIOL.....202/690-7179
MILDRED REED.....202/690-8617
DAVID WRIGHT.....214/767-4460

Visit Our Web Site!
<http://www.hcfa.gov>

Upcoming Event of July

JULY 11

1997

Administrator
Bruce C. Vladeck
addresses the
Institute of
Medicine's National
Academy of Sciences
in
Washington, D.C., on
*The future of the
clinical research
enterprise.*



Message from the Administrator

BRUCE C. VLADECK

ON JUNE 9, the Department of Health and Human Services announced a new program designed to give older Americans access to the Internet so they can get the information they need on Medicare, Medicaid, and other HHS programs. Under the program "Computers for Seniors" HCFA will loan more than 500 computers to senior centers throughout the country.

HCFA, as a beneficiary-centered purchaser, is committed to providing Medicare and Medicaid beneficiaries with the information they need to understand our programs and make informed health care decisions. Putting these computers in the hands of senior citizens will give them direct access to information on health plans, benefits, premiums, policy decisions, and all the other items that are posted on the HCFA Web site. In addition, seniors will be able to obtain access to other HHS sites such as the department's home page, the Administration on Aging (AoA), the National Institute on Aging and more.

HCFA has been upgrading its network of computers and, while the 500-plus computers being loaned out are insufficient for the agency's needs, they are more than adequately suited to begin a new life as a valuable informational resource for seniors.

In addition to the computers, HCFA will provide basic Windows and DOS operating software. The senior centers will be responsible for installing and maintaining the equipment, as well as providing a modem and additional phone lines as needed. HCFA is encouraging senior centers to work with their communities to help train seniors to use the computers.

Senior centers will apply for the computers, with all applications due by July 18. We expect to announce the names of the sites selected to receive the equipment by the end of August. The transfer of the new equipment to the centers will roughly coincide with this summer's launching of a new HCFA Online service: the *Managed Care Plans Comparison Database*. This database will provide beneficiaries with information on all the Medicare risk managed care plans, including copayments, premiums, benefits, and service areas. Additionally, in the near future, we will add quality and patient satisfaction data. Eventually, the database will include the equivalent information on fee-for-service providers.

The computers, together with the comparison data posted on the Web site, will make it possible for a beneficiary or a beneficiary's counselor to query the system and select information by State, county, zip code, type of benefit, and so forth to create a customized report that meets the beneficiary's specific information requirements.

The computers and HCFA Online services will be easily available and user-friendly. The Administration on Aging also supports many of the services and programs provided at senior centers across the country and HCFA regional offices will work with AoA to ensure the "Computers for Seniors" program is a success.

BOSTON

Ms. Elsie Frank — For her outstanding leadership as a community activist and her passionate caring for the well-being and rights of older Americans.

Ms. Judith Stein — In recognition of her outstanding Medicare advocacy program development and dedicated service educating and providing legal assistance to beneficiaries in Connecticut.

Vermont Long-Term Care Planning Team — In appreciation for reforming Vermont's long-term care system and providing Medicaid beneficiaries with greater choice and flexibility in meeting their service needs.

NEW YORK

Ms. Amy Bernstein — For her tireless efforts, with scarce resources, to educate Medicare beneficiaries and assure equal access to Medicare information and services in New York City.

Ms. Olga Torrens — For her dedication and willingness to serve our most important customer, the Medicare beneficiary. For providing innovative leadership in developing Medicare beneficiary educational strategies.

Mr. Dan Kalem — In recognition of continuous commitment and outstanding dedication to providing information and services to Medicare beneficiaries.

Beneficiary Liaison Committee — In appreciation for the excellent work in making mammograms more accessible to Medicare beneficiaries in the Virgin Islands.

PHILADELPHIA

APPRISE Telecenter Volunteers — With great appreciation we recognize their contribution to the Medicare beneficiaries of the State of Pennsylvania.

DC Coalition for Prevention - 1996 Flu Immunization Campaign — In recognition of their collaboration in an innovative effort to increase flu immunization rates and for their continuing commitment to preventive health care.

Dr. Andres Pumariaga — For his leadership, insight, guidance and knowledge in directing efforts to improve systems of care for the serious and emotionally disturbed child and adolescent.

KePRO — For its coordination of a successful statewide volunteer effort to increase public awareness of stroke risk and methods of reducing risk.

Ms. Jan Bowen — For her outstanding service to the Medicare and Medicaid beneficiaries of West Virginia as a co-director of SHINE, the statewide counseling and education program.

Ms. Barbara Reynolds — For her outstanding service to the Medicare and Medicaid beneficiaries of West Virginia as a co-director of SHINE, the statewide counseling and education program.

Ms. Sharon Medcalf — For her vision, energy and commitment to reducing infant mortality by bringing the first Stork's Nest to Delaware.

*1997
Beneficiary
Services
Certificate
of
Merit
Awardees*

ATLANTA

Ms. Lizzie Green — In appreciation of her dedicated efforts and assistance in protecting the Medicare Trust Fund.

Ms. Virginia Clare — In recognition of her persistent advocacy and genuine compassion for the senior citizens of Kentucky.

Beneficiary Education and Outreach Department — In recognition of their commitment to team excellence, their outstanding contributions, and their support and dedicated service to Florida beneficiaries.

The North Carolina Adult Immunization Task Force — In recognition of significant efforts to improve the health of North Carolina Medicare beneficiaries by increasing the number immunized against influenza.

South Carolina Coalition for Older Adult Immunizations — In recognition of their efforts to increase the influenza, hepatitis and pneumococcal immunization rate of senior Americans.

Ms. Amy E. Schaumann — For her pursuit of quality social marketing principles in promoting powerful, easy-to-read information on Medicare rights, HCQIP and preventive health issues.

CHICAGO

Senior Health Insurance Program — For sustained achievement and excellence in providing insurance, counseling and assistance to the citizens of Illinois.

DALLAS

Ms. Inez Giron — In appreciation for her outstanding service to her community and for her dedication to the task of improving the quality of life for seniors in New Mexico.

Beneficiary Communications Team — In recognition of their dedication and contributions to providing the very best service for our customers in Maryland and Texas.

Mrs. LaVerne Wyaco — In recognition of her vision, leadership, commitment and hard work in establishing the HIBACK and in meeting the needs of Navajo nation beneficiaries.

KANSAS CITY

Ms. Lucille Grobstick — For her outstanding service to Medicare beneficiaries in Linn County, Iowa, as a volunteer for the Senior Health Insurance Information Program.

Mr. Ross Hansen — For his outstanding service to Medicare beneficiaries in Greene County, Iowa, as a volunteer for the Senior Health Insurance Information Program.

Ms. Doris Rather — For her outstanding service to Medicare beneficiaries in Greene County, Iowa, as a volunteer for the Senior Health Insurance Information Program.

Mr. Gordon Stiles — For his outstanding service to Medicare beneficiaries in Marshall County, Iowa, as a volunteer for the Senior Health Insurance Information Program.

Ms. Cathy Athon — In recognition of her vision, talent, dedication and energy which have improved the lives of Medicare beneficiaries through information, education and empowerment.

St. Luke's Hospital SHIP Volunteer Program — For outstanding service to Medicare beneficiaries in Linn County, Iowa, we recognize seven volunteers of the St. Luke's Hospital Senior Health Insurance Information Program.

Mr. Luther and Mrs. Maxine McArn — For their generous contributions of time and their many and varied volunteer efforts to educate and assist Medicare and Medicaid beneficiaries in Missouri.

Topeka Independent Living Resources Center — In recognition of the development of programs that provide advocacy and services to Medicaid/Medicare beneficiaries with disabilities in Region VII.

DENVER

Mr. Ron DuBois — In recognition of his tireless service and advocacy in promoting independence for the seniors of Salt Lake County, Utah.

Ms. Koa Morrill — For volunteer service to the Senior Health Insurance Information Program, for selfless sharing of time, talent and knowledge and for putting "joy in Medicare."

SAN FRANCISCO

The Post-Partum Home Visiting Program — In recognition of a collaborative effort of the MOMS Program and Alternative Home Health Care, providing health education for Medicaid-eligible women and their families.

Ms. Bonnie Wheatley — For her demonstrated leadership and commitment to the development and implementation of a broad-based, culturally competent Breast Cancer Early Detection Program in the Alameda County area.

SEATTLE

PRO-West — For the design, implementation and evaluation of an innovative direct-mail intervention to increase mammography rates among Medicare beneficiaries in Idaho. ♦

*Today's Work,
Tomorrow's Difference*



Members of the Beneficiary Partnership Council participate in an ice-breaker before conferring on how HCFA can reduce fraud, waste and abuse incidents.

Beneficiary Partnership Council Has Made Several Improvement Recommendations to HCFA

HCFA's Atlanta Regional Office has formed the Beneficiary Partnership Council (BPC). The advisory council, a body of 19 representatives, makes suggestions for beneficiary improvements to HCFA in customer service, fiscal integrity and health outcomes. At its quarterly meeting in May, BPC posed the question: "How Can HCFA Reduce Fraud, Waste and Abuse?" One of the outcomes was that beneficiaries, advocates, and providers need to be more educated about fraud and abuse.

In response to several BPC recommendations, HCFA has developed an action plan to improve its fiscal integrity programs delivery to Medicaid and Medicare beneficiaries in the Atlanta area. The recommendations to HCFA from BPC follow:

- **Beneficiary Leaflet:** HCFA will update the beneficiary "fraud awareness" leaflet that was successfully used to combat fraud in Miami. A distribution plan is being developed to send the leaflet to all Medicare and Medicaid beneficiaries in the State of Georgia. HCFA may also wish to adapt the leaflet for different audiences such as physicians, home health workers, and beneficiary advocates.
- **Beneficiary Advocate Newsletter:** Medicare fraud and abuse will be the feature article for the fall edition of the Atlanta Regional Office's newsletter, *FAB IV* (Fraud and Abuse Bulletin).
- **ICA Fraud Conference:** HCFA will provide speakers and other resources to make the September fraud and abuse conference, sponsored by the Georgia Insurance Counseling and Assistance (ICA) Program, an interesting learning experience. This conference will include the HCFA manager who spent nearly a year combating Medicare and Medicaid fraud and abuse in the Miami office.
- **Public Service Announcements (PSAs) for Minorities:** HCFA will gather existing PSAs from a variety of sources and contact Clark-Atlanta University's radio station WCLK about airing the PSAs during peak times. WCLK has shown an interest in promoting health in the minority community.

No Increase

[Continued from page 1]

Earlier this year, the Prospective Payment Assessment Commission (ProPAC) also recommended a freeze on Medicare payment rates for hospitals in the coming fiscal year. In their March 1 report, ProPAC members indicated that a zero update “reflects projected inflation in the prices of hospital inputs and the commission’s judgements about the likely effects of scientific and technological advances, productivity improvements and service changes, and changes in the mix of patients treated.”

Failing congressional action to put in place Secretary Shalala’s recommendation for a payment freeze, the 2.8 percent increase becomes effective October 1 for the Nation’s 5,200 short-stay acute care hospitals participating in Medicare and for 2,000 non-acute care hospitals — psychiatric, rehabilitation, long-term and children’s facilities. ♦

Beneficiary Partnership Council

[Continued from page 4]

- **MARTA:** Some metropolitan public transit authorities have shown a willingness to display PSAs. HCFA will ask MARTA to post information about preventing health care fraud and abuse.
- **SSA Training:** HCFA has arranged with the Social Security Administration (SSA) Regional Office staff in Atlanta to include a brief Medicare and Medicaid fraud and abuse awareness training session on the agenda of every SSA training class that is held in Atlanta.
- **Educate Physicians:** HCFA is developing a fact sheet for physicians containing tips to prevent fraud and abuse with input from BPC physician-members. When the fact sheet is completed, it will be distributed to medical associations, Medicare physician advisory groups, and others who publish information to physicians. ♦

Expanding Operation Restore Trust

Calling anti-fraud and abuse efforts “a top personal priority” for the second term of the Clinton Administration, HHS Secretary Donna Shalala recently announced a new and expanded phase of Operation Restore Trust (ORT), a special initiative that President Clinton launched in May 1995.

The expansion will include new geographic areas of concentration and several specific anti-fraud and abuse targets. In the past two years, the ORT demonstration project has focused on five States: California, Florida, New York, Texas and Illinois. In these five States, ORT brought together teams to combat fraud and abuse in three high-growth program areas of Medicare and Medicaid: home health agencies, nursing homes, and durable medical equipment suppliers.

New States where ORT efforts will initially focus include: Arizona, Colorado, Georgia, Louisiana, Massachusetts, Missouri, New Jersey, Ohio, Pennsylvania, Tennessee, Virginia, and Washington. In announcing the expansion, Shalala noted: “Operation Restore Trust has shown us how to move faster and smarter in rooting out fraud and abuse in health care. Now it’s time to take what we’ve learned and use it broadly and aggressively.”

In its first two years as a demonstration project, ORT has identified almost \$188 million owed to the Federal Government, Secretary Shalala said. This constitutes a return of more than \$23 for every \$1 spent on the project. Total HHS spending for anti-fraud, waste and abuse efforts in Medicare and Medicaid is \$599 million in FY 1997, up from \$452 million five years earlier. ♦

New Regulations/Notices

Medicare Program; Medicare Appeals of Individual Claims (BPD-453-FC) — Published 5/12 This rule proposes to recognize the right of Part B appellants to a hearing before an administrative law judge (ALJ) for claims if at least \$500 remains in dispute and the right to judicial review of an adverse ALJ decision if at least \$1,000 remains in controversy. Also, this rule codifies in regulations the limitations on the review by ALJs and the courts of certain national coverage determinations, and the statutory authority for an expedited appeals process under Part A and Part B.

Medicare and Medicaid Programs; Quarterly Listing of Program Issuances — Fourth Quarter 1996 (BPO-148-N) — Published 5/12 This notice lists HCFA manual instructions, substantive and interpretive regulations, and other *Federal Register* notices published October-December 1996 that relate to the Medicare and Medicaid programs. It also identifies certain devices with investigational device exemption numbers approved by the Food and Drug Administration that may be potentially covered under Medicare.

[Continued on page 6]

New Regulations/Notices

[Continued from page 5]

Medicare, Medicaid, and CLIA Programs; Clinical Laboratory Requirements — Extension of Certain Effective Dates for Clinical Laboratory Requirements Under CLIA (HSQ-237-FC) — Published 5/12 This rule extends the phase-in date of the quality control requirements applicable to moderate and high complexity tests and extends the date by which an individual with a doctoral degree must possess board certification to qualify as a director of a laboratory that performs high complexity testing.

Medicaid Program; Allocation of Enhanced Federal Matching Funds for Increased Administrative Costs Resulting from Welfare Reform (MB-103-NC) — Published 5/14 This notice with comment period announces the methodology for determining the allocation of a \$500 million fund to assist States and certain Territories with the additional expenses attributable to eligibility determinations pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Also, it announces the actual allocation amount for each State and Territory.

Medicare Program; Electronic Cost Reporting for Skilled Nursing Facilities and Home Health Agencies; Correction (BPD-788- CN) — Published 5/19 This is a correction to the final rule on the requirement that, for cost reporting periods ending on or after February 1, 1997, most skilled nursing facilities and home health agencies must submit cost reports currently required under the Medicare regulations in a standardized electronic format. The final rule also provided for a delay or waiver where implementation would result in financial hardship.

Approval of the Commission on Office Laboratory Accreditation for Immunohematology (COLA) (HSQ-242-N) — Published 5/19 This notice announces the approval of the COLA for the addition of the full specialty of immunohematology. COLA is an accrediting organization for clinical laboratories under the CLIA program.

Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 1998 Rates (BPD-878-P) — Published 6/2 This proposal would revise the Medicare hospital inpatient prospective payment systems for operating costs and capital-related costs to implement necessary changes arising from HCFA's continuing experience with the systems. In addition, it contains proposed changes in the amounts and factors necessary to determine prospective payment rates for Medicare hospital inpatient services for operating costs and capital-related costs. These changes would be applicable to discharges occurring on or after October 1, 1997.

Medicaid Program; New and Pending Demonstration Project Proposals Submitted Pursuant to Section 1115(a) of the Social Security Act: March and April 1997 (ORD-100-N) — Published 6/4 No Section 1115(a) proposals for Medicaid demonstration project were received, approved, disapproved and one proposal was withdrawn during the months of March and April. (This notice can be accessed on the Internet at <http://www.hcfa.gov/ord/sect1115.htm>.)



Department of Health & Human Services
Health Care Financing Administration
7500 Security Boulevard
Baltimore, Maryland 21244-1850

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

First Class Rate
Postage & Fees

PAID

HHS Permit No. G-28